

**Internal Revenue Service**

Department of the Treasury  
Washington, DC 20224

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Person To Contact:  
, ID No.  
Telephone Number:

Refer Reply To:  
CC:INTL:B02  
PLR-117864-10  
Date:  
October 20, 2010

TY:

Legend

Country X =

Country Y =

Country Z =

Year 1 =

Year 3 =

Year 4 =

Year 5 =

Year 6 =

Dear :

This is in response to a letter submitted on your behalf by your authorized representative requesting permission to reelect the provisions of section 911 of the Internal Revenue Code ("Code") for Year 6 and subsequent tax years.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Taxpayer lived and worked in Country X from Year 1 to Year 3. In Year 4, Taxpayer revoked his section 911 election on his U.S. federal income tax return. Taxpayer moved to Country Y in Year 5 and then, to Country Z. The individual income tax rate in Country Y is substantially higher than the individual income tax rate in Country Z.

Section 911 of the Code permits certain taxpayers to elect to exclude from gross income their foreign earned income, and housing cost amounts. The election applies to the taxable year for which it is made and for all subsequent taxable years, unless revoked by the taxpayer. Section 911(e)(2) provides that once revoked, the election may not be made again by the taxpayer until the sixth taxable year after the year in which the revocation was made.

However, Treas. Reg. § 1.911-7(b)(2) provides that if an individual revokes an election under Treas. Reg. § 1.911-7(b)(1), and desires to reelect the same exclusion within the next five years, the individual must obtain permission by requesting a ruling. The Service may permit the taxpayer to reelect the foreign earned income exclusion before the sixth year after considering all of the facts and circumstances. Treas. Reg. § 1.911-7(b)(2) provides that relevant facts and circumstances may include a period of United States residence, a move from one foreign country to another foreign country with differing tax rates, a substantial change in the tax laws of the foreign country of residence or physical presence, and a change of employer.

Accordingly, based solely on the information and representations set forth above, Taxpayer may reelect the section 911 foreign earned income exclusion for Year 6 and subsequent tax years.

This ruling is directed only to the taxpayer who requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Jeffery G. Mitchell  
Branch Chief  
(International)